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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE

(No Surface Use)

CIUR MICH	JEF (C)	VALC HE SI					
whose addresss is $\frac{5}{0}$ and, DALE PROPERTY SI hereinabove named as Les	ERVICES, L.L.C., see, but all other port a cash bonus in	2100 Ross Avenue, Su rovisions (including the co	ite 1870 Dallas Ter	c <u>as 75201</u> , as Les paces) were prepa	saee. All printed portic ared jointly by Lessor a	and Lessee.	
.]]] ACRES (OUT OF THE LAY FACE WALLEY	DE LAND, MOI DERDY)	RE OR LESS, BEIN	RANT COUNTY	TEXAS, ACC	CORDING TO TH	AT CERTAIN PLAT F	RECORDED
in the County of Tarrant reversion, prescription or consumers and the commercial gases, as well and now or hereafter own Lessor agrees to execute a of determining the amount of the county of the cou	, State of TEXAS, of the issociation therewises as hydrocarbon gas hydrocarbon gas hydrocarbon gas hydrocarbon gas or other substates and other substates of a substates and other substates and other substates of the prevailing in the prevailing in the same field ling date as the daremises or lands poture stimulation, by in paying quantified by Lessee, then silout designated behind-in or production another well or a operations or propayments under the for receiving pay r lenders to Lessochall constitute pro r shall, at Lessee's attempatible or in Paragraphit therewith or if all the substates and the substate and the su	purpose of exploring for the (including geophysic ases. In addition to the are contiguous or adjating any additional or supple lies hereunder, the number requiring no rentals, stances covered hereby and provisions hereof, tances produced and services and services and services and free same field (or if the ade and gravity; (b) for additional and the costs incurred thase such production and the costs incurred thase such production and the costs incurred thase such production and the remains and the lease of the purpose of many continuous and the leased preduction. Lessee's failure is lease shall be paid on the leased preduction. Lessee's failure is lease shall be paid on the leased preduction. Lessee's failure is lease shall be paid on the leased preduction. Lessee's failure the leased preduction for lothe depository by per payment. If the depository by per payment.	gross acres, , developing, producal/seismic operation above-described leadered to the above-demental instruments for or o	more or less (linchicing and marketing). The term "guised premises, this scribed leased pror a more complete over specified shape and the scribed leased provided that Less hen prevailing in sing head gas) as see from the scribed processing or sad market price push a prevailing in sing head gas of duction there from if for a period of any period and thereafted that if this is differently shall aris in a stamped are or be succeed the instrument narrapable of producting lites) permaneutilities) permaneutilities	eding any interests the agoil and gas, along as" as used herein it is lease also covers at emises, and, in conside or accurate descriptili be deemed correct, where it is lease also covers at emises, and, in consider or accurate descriptili be deemed correct, where it is a lease of production of the same field, then in and all other substantial other substantial of the production of a colf at the end of the her substances cover it is not being sold by L 190 consecutive days covered by this lease, er on or before each a ease is otherwise bein hut-in royally shall be render Lessee liable fold the at lessor's addition another institutioning another institutioning another institutioning in paying quantities or ceases from any cat	rein which Lessor may here with all hydrocarbon and no reludes helium, carbon do coretions and any small strip teration of the aforemention on of the land so covered. I whether actually more or los whether actually more or los in the lands pooled therewith the case of the delivered at Lestinuing right to purchase such the nearest field in which ces covered hereby, the reportionate part of ad valoually as or other substance similar quality in the same fie parable purchase contracts or primary term or any time the delivered at Lestinuing right to purchase such used thereby in paying quantitie essee, such well or wells are shutsuch payment to be made inniversary of the end of sait gomaintained by operations, due until the end of the 90-or the amount due, but shall ress above or its success may be made in currency, or of the depository agent to receive including a revision of the lesse, including a revision of sait gar and the received in the received in the same field or as depository agent to receive including a revision of the lesse, including a revision of the sait and the sait an	after acquire by on hydrocarbon xide and other os or parcels of ed cash bonus, For the purpose is. Thereof, and for or this lease is dilydrocarbons see's option to the production at there is such a oyalty shall be rem taxes and s, provided that sid (or if there is entered into on ereafter one or so or such wells all nevertheless in or production to Lessor or to dilydray period next if production day period next if not operate to the sessor at the last refuse to acceptive payments. ") on the leased unit boundaries
nevertheless remain in form on the leased premises or the end of the primery tent operations reasonably calcondo cessation of more than there is production in paying Lessee shall drill such add to (a) develop the leased leased premises from uncon- additional wells except as a	ce if Lessee commitants pooled there in, or at any time to utaled to obtain or 90 consecutive drag quantities from illional wells on the premises as to forompensated draftial expressive provided.	ences operations for rev with within 90 days afte hereafter, this lease is restore production there tys, and if any such ope the leased premises or leased premises or land mations then capable of ge by any well or wells herein.	vorking an existing we completion of opera not otherwise being from, this lease shall arations result in the lands pooled therewith a pooled therewith a producing in paying located on other land	rell or for drilling a fillions on such dry maintained in force production of all th. After complet s a reasonably pro quantities on the ls not pooled ther	in additional well or for hole or within 90 days, or but Lessee is then to long as any one or ror gas or other substation of a well capable outent operator would be leased premises or lewith. There shall be	atterwise obtaining or rests after such cessation of all pengaged in drilling, rework, nore of such operations are nees covered hereby, as to of producing in paying quantifit under the same or simile ands pooled therewith, or (I no covenant to drill explorate	oring production. If all ing or any other prosecuted with ng Ihereafter as lities hereunder in clicumstances by to protect the ony wells or any
6. Lessee shall have dopths or zones, and as to proper to do so in order to unit formed by such poolin horizontal completion shall completion shall completion to conform to a of the foregoing, the terms prescribed, "oil well" mean feet or more per barrel, the equipment; and the term equipment; and the term equipment; and the term expression, drilling or rew reworking operations on the acreage covered by It because. Pooling in one or unit formed hereunder by prescribed or permitted by making such a revision, to leased premises is include he adjusted accordingtor.	e the right but not o any or all substato any or all substato on any or all substato prudently develop ye for an oil well with not exceed 640 ac ny well spacing or a well with an initiassed on 24-hour "horizontal complet ercising its pooling orking operations are leased premises is lease and inclumore instances she expansion or contict the governmental issee shall file of right and in or excluded from the absence of all the contict of the propersion or contict the governmental of the propersion or the absence of all the contict of the propersion or the absence of all the contict of the propersion or contict of the propersion or excluded from the absence of all the contict of the propersion or contict of the propersion or excluded from the absence of all the contict of the propersion of the absence of the propersion of the proper	the obligation to pool all ances covered by this le or operate the leased protein and a liorizontal control of cres plus a maximum accomment of the protein and a liorizontal or density pattern that may is well' shall have the mail gas-oil ratio of loss the production test conduction "means an oil well in rights hereunder, Less anywhere on a unit while, except that the production the unit bears to hall not exhaust Lessee' raction or both, either be authority having jurisdice ecord a written declaration the unit by virtue of raduction in paying dual	pase, either before of ternises, whether or a completion shall not eleage tolerance of 10 to be prescribed or pesenings prescribed to any tolerance of 10 tole	r after the comment similar pooling exceed 30 acres polys; provided that imilited by any go y applicable law re to per barrel and " oducing condition intal component of d a written declar by part of the lead for royally is calculated in the unit, but under, and Lesse encement of productive vised unit and stat oportion of unit production of unit production of unit production upon permanent.	andement of production is authority exists with reliated a larger unit may be fowermental authority from the appropriate governmental authority from the appropriate governmental second as a well means a well as using standard lead the gross completion is ation describing the unsed premises shall be lated shall be that production, in order to conforce acreage determination ting the effective date oduction on which row passation thereof, Less	n, whenever Lessee deems espect to such other lands of personance of 10%, and for ment for an oil well or gas viaving jurisdiction to do so, ernmental authority, or, if not with an initial gas-oil ratio ose separator facilities or ern interval in facilities or erniterval in the reservoir exconite and stating the effective alreated as if it were product profice of the total unit products proportion of the total unit products proportion of the spacing of made by such government of revision. To the extent a latties are payable hereunda tee may terminate the unit be	In necessary or interests. The r a gas well or a yell or horizonta For the purpose of definition is so of 100,000 cubic juivalent testing uivalent testing adds the vertica date of pooling cition, drilling or uction which the relion is sold by on to revise any or density patternal authority. In any partion of the r shall thereafte
	whose address is and, DALE PROPERTY SI hereinabove named as Les 1. In consideration of described land, hereinafter and the county of Tarrant reversion, prescription or causistances produced in a commercial gases, as well and now or hereafter owner and ownercial gases, as well and now or hereafter as oil or otherwise maintained in effect of the wellhead market price or the wellhead market price prevailing price) for production, severance, or otherwise maintained in effect of the production of such production, severance, or otherwise the continues of the production of such production, severance, or otherwise the continues of the production of such production, severance, or otherwise the continues of the production of such production, severance, or otherwise the continues of the production of the leased production of the leased production of the production of t	whose addresss is SCC SCANDER. and, DALE PROPERTY SERVICES, LLC rereinabove named as Lessee, but all other p 1. In consideration of a cash bonus in described land, hereinafter called leased prem ACRES OF LAND, MOI OUT OF THE SCANDER. IN VOLUME IN VICTOR IN VICTOR	whose addresss is SICS WILLER, 2100 Ross Ayenue, Sul recreinations amend sa Lesse, but all other provisions (including the cascillod land, hereinafter called leased premises: ACRES OF LAND, MORE OR LESS, BEINOUTOFILE WILLERS, BEINOUTOFILE WILLERS, BEINOUTOFILE WILLERS, BEINOUTOFILE WILLERS, BEINOUTOFILE WILLERS, PAGE In the County of Tarrant, State of TEXAS, containing TARRIN NOLUME REPORT STATES AND THE PROVIDED TO THE WILLERS OF LAND, MORE OR LESS, BEINOUTOFILE WILLERS, FRANCISCO, PAGE OF TARRIN NOLUME REPORT STATES AND THE PROVIDED TO THE WILLERS OF TARRIN NOLUME REPORT STATES AND THE PROVIDED TO THE WILLERS OF TARRIN NOLUME REPORT STATES AND THE PROVIDED TO THE WILLERS OF TARRIN NOLUME REPORT STATES AND THE PROVIDED TO THE WILLERS OF TARRIN NOLUME REPORT STATES AND THE PAGE OF TARRING THE	and, DALE PROPERTY SERVICES, LL, C., 2109 Ross Avenue, Sulte 1870 Dellas Terre revisitabove amend as Lesses, but all other provisions (including the completion of blanks at 1. In consideration of a cash bonus in hand paid and the covenants herein contribectibed land, hereinather called lessed premises: ACRES OF LAND, MORE OR LESS, BEING LOT(S) OUT OF THE LAY JULY AND THE OR LESS, BEING LOT(S) OUT OF THE LAY JULY AND THE OR LESS, BEING LOT(S) OUT OF THE LAY JULY AND THE OR LESS, BEING LOT(S) OUT OF THE LAY JULY AND THE OR LESS, BEING LOT(S) OF THE LAY JULY AND THE OR LESS, BEING LOT(S) OF THE LAY JULY AND THE ORDER THE ORDER LESS, BEING LOT(S) OF THE LAY JULY AND THE ORDER LESS, BEING LOT(S) OF THE LAY JULY AND THE ORDER LESS, BEING LOT(S) OF THE LAY JULY AND THE ORDER LESS, BEING LOT(S) IN THE COUNTY, THE ORDER LESS THE ORD	whose addresses is SUC LIVENESS LICE, 2109 (Sees Asystems State 1970 Letter Texas 1920), as be retrievationed manned as Lessee, but all other provisions (including the compeliation of blank spaces) were perpeted. In consideration of a cash borrus in hand mild and the covenants haven contained. Lessor he described lend, tereinater called lessed premises: ACRES OF LAND, MORE OR LESS, BEING LOT(S) LOTOF THE LAY JURN ACRES OF LAND, MORE OR LESS, BEING LOT(S) OF THE PLAT RIVENES IN VOLUME ACRES OF LAND, MORE OR LESS, BEING LOT(S) TARRANT COUNTY, TEXAS, ACC PLAND, IN VOLUME PAGE TARRANT COUNTY, TEXAS, ACC PL	whose addresses in Sub-Living And Country Services, Lot, 2019 (rose systems, Sultis 1070). Delign Tesses 75(3), as I cases. All printed portice recircitories varieties of services and other provisions fluiduring the completion of the single provisions fluiduring the completion of the single provisions fluiduring the completion of the single provisions fluiduring the completion of his single provisions fluiduring the completion of the single provisions fluiduring fluiduri	whose additionate is Sich Land Town Enter 1997 (1997) and the completion of blank spaces) were prepared in the sease, but all other provisions directuring the completion of blank spaces) were prepared jointly by Lesson and Lesson. 1. In consideration of a cash bornus in hand grain and were covered to the provisions directuring the completion of blank spaces) were prepared jointly by Lesson and Lesson. 1. In consideration of a cash bornus in hand grain and were covered to the provisions directuring and and the coverential hands. Lesson benefity grants, lessoes and left exclusively to Lesson benefit to the provisions of the provisions has been provided to the provisions of the provisions of the provisions of the provisions of the provisions have been provided to the provisions of the provisions have been provided to the provisions have been provided to the provisions have been provided to the provisions of the provisions have been provided to the prov

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royaltles and shut-in royaltles payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises

The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder. Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to salisfy such obligations with respect to the transferred interest, and failure of the transferse to salisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or lender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all plainers as released.

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or untitzed herewith, in primary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house part other improvements.

writing, Lessee shall bury its pipelines below ordinary plaw depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lesson's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabolage, rebellion, insurrection, riot, strike or labor disputes, or by linability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not be removed to the term hereof. control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof.

Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No illigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royally or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby waterals and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee as Lessee's colion may now and discharge any taxes.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's little, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the da heirs, devisees, executors, administrators, successors and assigns, whether o	le first written above, but upon execution shall be binding on the signatory and the sign r not this lease has been executed by all parties hereinabove named as Lessor.
LESSOR (WHETHER ONE OR MORE)	
BY: JE E. DUNDEE	Ву:
STATE OF TEXTO COUNTY OF TOTAL This instrument was acknowledged before me on the by: The Police of State of Texas My Commission Expires April 15, 2012	day of
STATE OF	day of, 2006,



DALE RESOURCES 3000 ALTA MESA BLVD STE 300

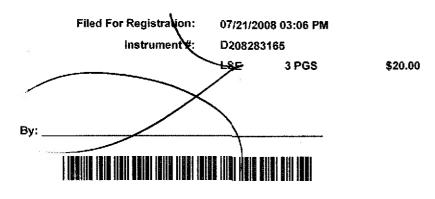
FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>



ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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